

WORLD TRADE ORGANIZATION

WT/MIN(03)/ST/131
13 September 2003

(03-4920)

MINISTERIAL CONFERENCE
Fifth Session
Cancún, 10 - 14 September 2003

Original: English

MALAWI

Statement by H.E. Mr Samuel John Mpasu
Minister of Commerce and Industry

Please allow me at the outset to express my appreciation through you, Mr Chairman, to the Government and people of Mexico for the warm hospitality accorded to me and my delegation since our arrival.

Allow me also to join other Members in congratulating Cambodia and Nepal on their accession to the World Trade Organization.

The outcome of this Cancún Conference will have enormous impact on Malawi. As all of you know, Malawi is a least-developed country, one of the poorest in the world, landlocked, dependent on a few export commodities and vulnerable to external forces.

Malawi faces severe economic problems, including declining commodity prices of its major exports, lack of product diversification and competitiveness, weak institutional and human capacity and supply-side constraints which continue to undermine its competitiveness. These problems adversely affect Malawi's capacity to integrate into the multilateral trading system. For Malawi, these are the issues that we hope will get centre stage in the Doha Work Programme.

- Malawi will lose from the agricultural liberalization by the developed countries that will benefit others. A development settlement must offer compensation for this loss.
- Due to inherent institutional and human capacity constraints, Malawi has difficulty in taking advantage of the market access initiatives that it has as a least-developed country. A development settlement must provide financial and technical assistance to enable us to diversify exports, improve infrastructure, improve our capacity to meet international standards and rules of origin in order to facilitate trade.
- Malawi's economic poverty has been compounded by incidences of diseases such as HIV Aids, malaria and tuberculosis. Therefore, a poverty settlement must allow it affordable access to essential medicines for all aspects of public health.

The prime objective of Malawi is the preservation and expansion of the benefits of market access at remunerative prices, currently afforded by the Everything-But-Arms (EBA) initiative, Africa Growth and Opportunity Act (AGOA), the ACP/EU Partnership Agreement. Recent studies have revealed that Malawi could lose about 12-20 per cent of its total export earnings and will be the country worst affected by any erosion of trade preferences resulting from the current Doha Work Programme.

Malawi believes that the WTO has a responsibility to ensure that any agreement in this Round explicitly provides for financial and technical assistance which can be used to improve agricultural infrastructure, productivity, capacity-building for compliance to SPS and other technical

requirements. We welcome the proposals for new facilities to adjust to trade liberalization by the IMF and the World Bank. The agriculture negotiations must provide for duty and quota-free access for exports from least-developed Members and binding of the preferential arrangements under the WTO.

In addition, Malawi is particularly concerned with export subsidies offered by some Members that render exports of least-developed Members uncompetitive. Malawi just like West and Central African States has suffered loss of market share of cotton due to these subsidies and therefore supports the other countries in urging developed Members to remove export subsidies on cotton and provide financial compensation to affected countries.

With regard to the TRIPS negotiations, Malawi welcomes the fact that the declaration on TRIPS should provide for free access to all essential medicines and other medical supplies without restrictions to specific diseases. In this regard, Malawi seeks financial and technical assistance for building capacity of its pharmaceutical producers and to facilitate implementation of this Agreement.

In Services, Malawi as a landlocked country faces doubled costs of transport. Therefore, Malawi seeks improved access to transport and communications. Malawi also calls upon the developed Members to assist it by transferring skills and technology for development of infrastructure and the promotion of service suppliers. Malawi seeks access to developed countries for all service providers under Mode 4 of the General Agreement on Trade in Services (GATS). Malawi needs technical assistance to respond to requests it has received on services and to prepare its offer.

As for negotiations on Market Access for Non-Agricultural Products, Malawi affirms that least-developed countries should not be required to reduce tariffs nor increase bindings and that developed Members make deeper reduction commitments. The developed Members should also remove all technical and non-tariff barriers to our exports.

The importance of technical assistance to Malawi cannot be over-emphasized. Malawi welcomes the Integrated Framework (IF) and the Joint Integrated Technical Assistance Programme (JITAP II). Malawi acknowledges the role played by UNCTAD in assisting developing and least-developed countries in building their capacities in the trade sector and in particular, I call for increased and continued support to Malawi. Malawi also appreciates the bilateral technical assistance provided by some developed Members.

In conclusion, I would like to thank the WTO Secretariat, JITAP and Donor Governments and Agencies for facilitating Malawi's attendance of the Conference.
